



Departmental Offices Highlights

Introduction

Departmental Offices provide the executive-level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs entrusted to the Department of the Interior.

The Secretary of the Interior is responsible for ensuring that the diverse programs and priorities of the Department are conducted effectively and efficiently in accordance with Presidential and Congressional direction. Accordingly, the Secretary of the Interior provides executive-level leadership from the Secretary's Immediate Office. The Secretary coordinates among Interior's nine bureaus and manages significant Departmental initiatives through programmatic Assistant Secretaries.

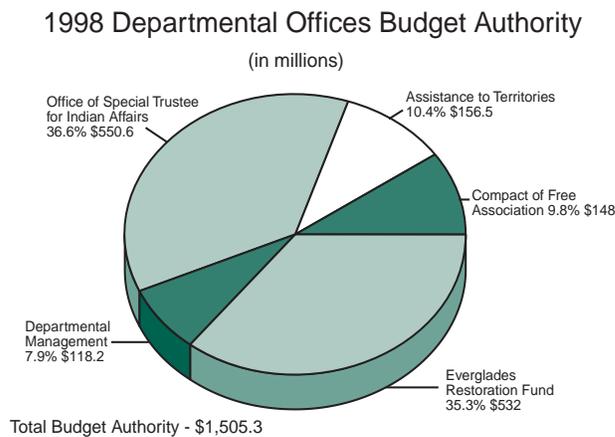
Departmental Offices Mission

"To provide the executive leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs which are the Department's responsibilities. "

The Assistant Secretary offices are responsible for coordinating activities among bureaus with related, or at times conflicting, missions to ensure that programs are carried out efficient and that critical concerns are addressed in a timely manner. The Department has five Assistant Secretaries: (1) the Assistant Secretary for Land and Minerals Management is responsible for programs administered by the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining Reclamation and Enforcement; (2) the Assistant Secretary for Water and Science sets Departmental policy for and provides oversight to the programs of the Bureau of Reclamation and the U.S. Geological Survey; (3) the Assistant Secretary for Fish and Wildlife and Parks provides overall policy direction to the National Park Service and the U.S. Fish and Wildlife Service; (4) the Assistant Secretary for Indian Affairs is the lead official within the Executive Branch on Indian matters; and (5) the Assistant Secretary for Policy, Management, and Budget, provides policy guidance for Interior's administrative activities such as finance, information services, procurement and acquisition, human resources, and budgeting.

Departmental Offices also provide support services used by the bureaus to accomplish their work. These include legal services through the Solicitor's Office, the audits and investigations of the Inspector General, environmental damage assessments, administrative hearings and appeals, and aviation and air safety services.

The Departmental Offices also includes two other significant programs: the Office of Insular Affairs (OIA), which provides for all insular assistance, and the Office of the Special Trustee for American Indians (OST), which manages and discharges the Secretary's responsibilities for the \$3 billion in trust funds for American Indians.



Collaborative Projects and Major Initiatives

In 1998, the Departmental Offices continued to guide Interior's efforts to restore the environment, protect our natural resources, promote tribal sovereignty, and use sound science to make informed management decisions.

Major accomplishments spanning the various programmatic areas included completion of significant land acquisition and consolidation efforts in sensitive areas of several Alaska parks, including acquisition of the historic Kennecott mining property; establishment of the Global Disaster Network to provide real-time information to develop response strategies during times of natural disaster; and completion of the purchase agreement with The St. Joe Company and The Nature Conservancy for the acquisition of approximately 50,000 acres of Talisman Sugar Corporations lands within the Everglades Agriculture Area. Other accomplishments included:



Protecting sea turtle nests (photo by FWS).

National Wildlife Refuge System Improvement Act in 1998: The Department and the Congress worked together in a bipartisan effort to implement the Act during 1998. This landmark legislation provided a clear "wildlife first" mission to ensure that the 516 refuges covering over 93 million acres are managed as a national system of related lands, waters, and interests for the protection and conservation of our Nation's wildlife resources.

Endangered Species Act: The Department continued to aggressively implement a more effective Act during 1998 by strengthening partnership activities with other public agencies and private interests; by expanding the involvement of private landowners in habitat restoration and species recovery; by using candidate conservation agreements to keep species off the threatened and endangered list; by developing Habitat Conservation Plans to allow economic development to proceed while protecting species on private lands; and by implementing multi-species recovery plans. Proof that the Act is working came on May 6, 1998, when the Secretary of the Interior proposed that 29 species (or segments of species) be removed from the list or reclassified from endangered status over the next two years. Twenty-one of these delistings/reclassifications, including the American peregrine falcon, the bald eagle, the Columbia white-tailed deer, and the gray wolf, are due to successful recovery efforts implemented under the Act.

Northwest Forest Plan: The President's plan has allowed for sustainable timber production on Federal lands while protecting critical wildlife, fish, cultural resources, aquatic and riparian systems, and socioeconomic resources. Managing scientific information databases and providing access to them has been a major focus over the past year. Through a partnership with Microsoft Corporation, the U.S. Geological Survey has provided the data to establish TerraServer, a web site containing satellite images of the earth. In two months of its availability online, this web site has received over one million hits worldwide.

Restoring Ecosystems: Over the last five years the Administration has implemented three large-scale restoration efforts using new methods, partnerships and renewed public participation. This past year has seen continued progress in restoring three priority watersheds: California's Bay-Delta, the largest estuary on the west coast of North America; the Florida Everglades, to restore natural water flows; and the forests of the Pacific Northwest, to replenish trout, coho, chinook, and sockeye salmon. All these areas will require continued support to protect their vitality for future generations.

Clean Water and Watershed Restoration: Over the last 25 years, the Clean Water Act has stopped billions of pounds of pollution from flowing into the Nation's rivers, lakes, and streams, and has doubled the number of waterways that are safe for swimming and fishing. Yet despite this significant progress, there is still much to be done to fulfill our national commitment to protect the Nation's waters. Under the Clean Water and Watershed Restoration Initiative, Interior has taken the lead to ensure healthy aquatic systems in all the national watersheds. Together with the Department of Agriculture, Environmental Protection Agency, and other Federal agencies, we are developing cooperative partnerships with States, local governments, and the public. To ensure community-based watershed management, Interior is enhancing partnerships with State and local agencies, tribal governments and local communities to protect water quality on a watershed basis. Interior is also developing a strategy for ensuring that its public lands are national models and laboratories for effective watershed planning and control of polluted water.



Collecting sediment samples in Alaska (photo by Jill Parker).

In addition, the Department has pursued initiatives to improve and streamline operations to better support mission objectives. Such initiatives include:

Investing in Maintenance: Interior's public buildings, structures, and other facilities represent a major investment in tax dollars. Ensuring that maintenance and repair of such facilities is funded and implemented efficiently and effectively is an important element in protecting that investment. Inadequately funded maintenance due to reduced budgets, diversion of maintenance funds for emergency responses, and competition for resources from other program needs has led to accelerated facility deterioration. In 1998, Interior completed the first Departmentwide review of facilities maintenance needs and the increasing amount of deferred maintenance. The report, entitled, "*Facilities Maintenance Assessment and Recommendations*", was released to the Congress in February 1998.

Responding to a call for action by Congress, the Department also developed a five-year plan that provides a framework for improved planning and management for maintenance and construction programs, and that better defines accumulated deferred maintenance funding needs. In developing the five-year plan, the Department established uniform criteria for critical health and safety and resource projects, and, using rigorous screening, prioritized the projects based on these criteria. Maintenance and construction projects in the five-year plan are ranked in accordance with established criteria, with greatest emphasis applied to deferred maintenance needs in critical health and safety and resource protection. A Departmental Deferred Maintenance Working Group developed the strategy and guidelines for tracking deferred maintenance and for improving the management of maintenance and construction funds.

For the first time, the Department is using standard definitions for facilities terms and data and, as a result, will be able to present more consistent and credible descriptions of its maintenance and construction needs, capital investments, goals, and priorities. Data developed during formulation of the plan and through the annual updates will provide a greatly improved foundation for making facilities management decisions. Rather than being a static plan, the five-year plan will be updated annually to reflect changes as priority projects and new needs are identified.

Historic Preservation: The celebration of the turn of the century is a true commemoration of our democracy, our rich history, and our unequalled diversity. It is an opportunity to showcase the preservation of the icons of American history and culture for ourselves and for the world. There are a compelling number of documents, sites, structures, and objects of natural scope and significance, regardless of ownership, that need immediate preservation attention. Recognizing that the material culture of our Nation is the touchstone of our history, Interior is working hard to preserve this rich fabric of America's heritage, ensuring that the citizens of the 21st Century have the same opportunity that we did to observe and enjoy the archaeological and historic ruins in the Southwest, objects gathered by the Lewis and Clark expedition, and the laboratory of Thomas Edison, among other American treasures.

Implementing the Government Performance and Results Act (GPRA): Accountability begins with a clear understanding of our mission and a plan to achieve that mission. In 1997, Interior published its first strategic plan under the Government Performance and Results Act, and in February of 1998 the Department submitted its first annual performance plan to Congress along with the President's budget. That plan included performance measures for the Department as well as for individual bureaus within the Department.

The Department has learned over the past year the importance of a clear focus in the plan. Our strategic plan has been streamlined from its original 10 common themes to 5 general goals: (1) protecting the environment and preserving our Nation's natural and cultural resources; (2) providing recreation for America; (3) managing natural resources for a healthy environment and a strong economy; (4) providing science for a changing world; and (5) meeting our responsibilities for American Indians. Interior is now measuring performance in each of these areas.

Building a Diverse Department: During the past year, the Department developed a strategic plan to improve its workforce diversity. The vision of the plan is to establish a Departmental workforce that is reflective of the Nation at all levels and in all occupations; a workplace where the quality of work life is valued, where there is an environment open and accepting of individual differences, and where all employees are encouraged to maximize their potential and to exhibit a commitment to provide quality service to customers. Inherent in this five-year plan is the understanding that managing for diversity entails a comprehensive process for developing a workplace environment that is productive for all employees. Building a truly diverse Department is essential if we are to meet the demands of our mission into the next century. Progress in implementing the plan will be measured over the years to come.

Addressing Year 2000 Computer Issues: Much has been written about the impending disaster that will befall organizations—both public and private—whose computer systems treat a double zero in the "date field" as signifying the year 1900 rather than 2000. Given our reliance on computers, the failure of systems to operate properly can mean anything from minor inconveniences to major problems. The dimensions of this challenge are enormous, but we are well on the way to resolving these issues for the Department. We have corrected and tested 97 percent of our mission critical systems and expect to complete the remaining systems by March of 1999.

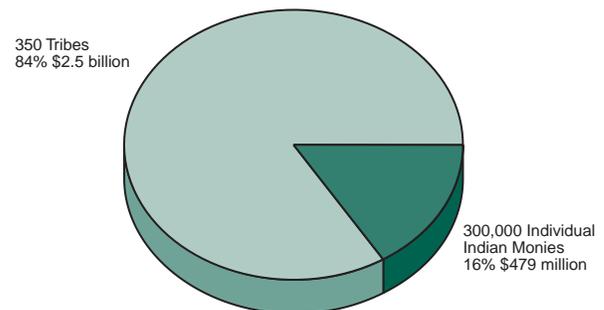
Streamlining Administrative Support: Streamlining administrative support is critical for ensuring that program managers are able to focus their efforts on mission goals. During fiscal 1998, the Department initiated actions to merge the Interior Service Center, the Washington Administrative Service Center and the Denver Service Center into one consolidated operation, the National Business Center. This operation should provide support to the Department, its bureaus, and other customers in the most efficient manner possible. The Department is also moving aggressively to consolidate its travel, purchase, and fleet charge card support under a new relationship with NationsBank.

Creating a Quality Workplace: The quality of the workplace is critical if employees are to do their jobs effectively and efficiently. The Office of the Secretary is providing leadership in this area by setting an example of what is possible with limited resources. During 1998, the Department created a quality of life task force and established a series of projects to improve the quality of the workplace. In Washington D.C., the Main Interior Building health room was reopened to provide employees with easy access to health care, the rooftop terrace was opened so that employees can enjoy the spectacular view of the city during warmer weather, and the gym was renovated in cooperation with the Interior Department Recreation Association. In addition to these improvements, all bureau and office heads were requested to develop quality of life plans for their offices around the country. All employees, regardless of their duty station, are entitled to a safe and satisfying work environment.

Office of the Special Trustee for American Indians

The Office of the Special Trustee for American Indians was authorized by the American Indian Trust Funds Management Reform Act to provide for more effective management of, and accountability for, the proper discharge of the Secretary's trust responsibilities to American Indian Tribes and individual Indians. The Special Trustee is charged with general oversight responsibilities for Indian Trust asset reform efforts Departmentwide to ensure the establishment of policies, procedures, systems, and practices that enable the Secretary to effectively discharge his trust responsibilities.

American Indian Trust Funds
(as of September 30, 1998)



The Office of Trust Funds Management (OTFM), under the direction of the Office of the Special Trustee, manages all trust activities associated with the receipt, accounting, investing, and disbursement of funds for American Indians and Alaska Natives in accordance with public laws, regulations, policies, and procedures. There is a constant value of approximately \$2.9 billion held in trust on behalf of approximately 300,000 American Indian Tribes and Individual Indian Monies (IIM) accounts. The Individual Indian Monies Fund is primarily a deposit fund for individuals as well as estates that have a Federal fiduciary interest. A major portion of the Tribal Fund consists of judgement awards while IIM Fund income is derived from royalties on natural resource depletion, land use agreements, enterprises having a direct relationship to the trust resources, per capita payments, and investment income. The assets held in trust for American Indians are owned by the trust beneficiaries and are not Federal assets.

Indian Trust reform efforts received continued emphasis during 1998. In November 1997, the Department submitted its final report detailing its recommendations on settling disputes of tribal trust fund accounts. The Department recommended a legislative approach that uses information dispute resolution mechanisms. The Administration forwarded legislation implementing the Department's recommendations on April 23, 1998. In July 1998, the Department completed its high-level implementation plan to resolve the decades-old Indian Trust Funds problems. This plan emphasizes acquisition of proven private sector trust management systems.

The Department recently awarded a contract to provide trust accounting services. The contract will provide a commercial off-the-self accounting system to manage the approximately 300,000 individual Indian accounts and 1,700 tribal accounts.

Office of Insular Affairs

The functions and responsibilities of the Secretary of the Interior for U.S.-affiliated insular areas are delegated to the Office of Insular Affairs. These insular areas include the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands the Federated States of Micronesia. The deteriorating economic and fiscal environment in the islands is a major concern. The U.S. Virgin Islands have not recovered from the devastation of Hurricanes Hugo and Marilyn, and were impacted again this year by Hurricane Bonnie. The Virgin Islands government ended 1997 with an annual operating deficit of \$138 million and an anticipated annual operating deficit for 1998 of \$101 million. The Virgin Islands currently owe the Federal Emergency Management Agency \$185 million and have recently issued a \$541 million bond to refinance long-term debt. American Samoa faces similar financial problems, only to a lesser degree. Its accumulated deficit is now more than \$30 million, nearly half of its annual operating budget. Guam and the Northern Mariana Islands, along with the Federated States of Micronesia are all highly dependent on tourism from the Asian markets. They have been significantly impacted by the recessions in Japan and Korea. The Marshall Islands and the Federated States of Micronesia remain highly dependent on United States program and financial assistance under the Compacts of Free Association.

In 1998, a great deal of attention was given to the brown tree snake control program when the Secretary announced this as a major Departmental priority. The brown tree snake is a non-indigenous predator accidentally introduced into Guam that has caused extraordinary ecological and economic impacts. Dispersal of the snake to Hawaii or other insular areas could result in even greater impacts. Consequently, the Department increased significantly the budget for the program from \$600,000 in 1997 to \$1.6 million for 1998.

Office of the Solicitor

The Office of the Solicitor provides legal advice and counsel to the various offices and bureaus of Interior. In 1998, the Office issued important legal opinions that addressed, among other things, the Secretary's authority under the National Park Service Organic Act to protect park resources and values against threats from activities taking place outside park boundaries; played a key role in efforts to restore watersheds and anadromous fish species nationwide; and successfully defended in litigation the Secretary's wilderness reinventory program in Utah, the Secretary's grazing regulations, and oil and gas drilling off the coast of North Carolina pursuant to the Outer Banks Protection Action.

Office of Inspector General

The Office of Inspector General's mission is to conduct audits and investigations relating to programs and operations of the Department. These audits and investigations are intended to promote economy, efficiency, and effectiveness in the administration of the Department's programs; to detect and prevent fraud, waste, and abuse in programs; and to keep management and the Congress fully currently informed about problems and deficiencies relating to the administration of the Department's programs. In 1998, the Office of Inspector General issued or processed 507 audit reports and negotiated 207 indirect cost proposals. Monetary findings in these audit reports and indirect cost proposals totaled \$305 million, which was composed of questioned costs, funds to be put to better use, and lost or potential additional revenue. The Office also conducted investigations that resulted in 37 indictments, 23 convictions, and criminal/civil financial recoveries of \$45 million.